

How are the Marketing Strategies Linked with the Circular Economy?

Elton Noti¹, Emira Spahaj²

^{*1}University “Aleksander Moisiu”, Faculty of Business, Department of Marketing, Durrës, Albania.

²University College “LOGOS”, Faculty of Economy, Department of Management, Tirana, Albania.

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ABSTRACT

The circular economy (CE) has evolved into a transformative concept challenging the traditional linear model of production and consumption. In the last few years, marketing researchers and practitioners have widely recognized the need to adjust marketing strategies to align with the principles of a circular economy; however, the discipline as a whole remains fragmented and under-researched. The paper provides a systematic literature review of the intersection between the circular economy and marketing with a view to synthesizing the extant knowledge base and identifying potential research fields. The review highlights three streams of research: (1) the effects of circular value propositions on branding, product development, and positioning; (2) The value of consumers with favourable attitudes, together with awareness and trust, as key means of stimulating the adoption of a circular approach in practice; and (3) the integration of digital technologies, including blockchain and big data, as means of enhancing the level of transparency and consumer involvement. Although current studies introduce valuable information, significant gaps exist with respect to cross-cultural customer behavior, marketing performance evaluation for CE settings, and the eventual consequences of extended circular branding for customer loyalty. The paper concludes with a conceptual framework integrating these learnings and outlining opportunities for further developing theory and practice. Also, it contributes to the extension of the respective literature on sustainable marketing and reflects the critical importance of integrating the principles of a circular economy into marketing theory and practice.

Keywords: Circular economy, marketing strategy, sustainable marketing, consumer behavior, branding, digital technologies

INTRODUCTION

With increasing popularity in recent years as an alternative approach to the traditional linear model of the "take-make-dispose" method, the Circular Economy (CE) is founded on sustainable, restorative, and regenerative systems. The Ellen MacArthur Foundation (2019) defines the CE as a system in which the goal is to eliminate waste and pollution, circulate products and materials at the highest value, and regenerate natural systems.

Marketing, as a discipline, plays an important role in supporting this transition by aligning brand, communication, and customer engagement strategies with the principles of the circular economy (CE). However, despite growing interest in this area, the existing literature remains fragmented, revealing gaps in understanding how marketing strategies can be effectively adapted to support CE across different contexts (Tura et al., 2019; Massi et al., 2022).

The main goal of the study

This paper primarily aims to review the latest research on marketing and the circular economy, identify significant gaps and key themes in the current literature, and suggest potential opportunities for future academic research and managerial practices.

This study has the following specific objectives:

- To summarize the main research streams exploring the relationship between marketing policies and circular economy principles.
- To analyze how consumer awareness, attitudes, and beliefs are studied in relation to adopting circular practices.
- To investigate the use of transparent tools (e.g., big data, blockchain) and digital technologies in supporting circular marketing activities.
- To identify underexplored areas across different cultures, industries, and performance measures where further empirical research is needed.
- To develop a conceptual framework that consolidates existing studies and advances both theoretical insights and practical applications.

The following research questions are posed in this study:

- What are the key themes emphasized in recent marketing and circular economy research?
- How do researchers conceptualize the influence of consumer attitudes, awareness, and trust on adopting circular practices?
- How are marketing efforts leveraging digital technologies to enhance clarity and customer engagement in circular economy initiatives?
- What gaps exist in the current literature regarding cross-cultural differences, sector-specific applications, and marketing performance metrics across various Customer Experience (CE) contexts?
- How can a conceptual framework be created to consolidate current knowledge and direct future research and marketing efforts towards a circular economy?

LITERATURE REVIEW

Thematic Areas in Marketing and Circular Economy Research

The intersection of marketing and the circular economy (CE) has recently gained a significant focus, but it still represents an emerging and fragmented field. The body of existing work tends to focus on a few core themes. First, academics examine circular value propositions and explore how businesses reposition themselves, develop product concepts, and define their markets to capture the values of circularity (e.g., reuse, repair, remanufacture).

This stream engages with how branding and positioning can signal circular attributes and create consumer value. Lüdeke-Freund et al. (2019) also propose a classification of circular economy business model (CEBM), including practices of repair, refurbishment, recycling, and repurposing, which are strategies implemented by enterprises for value creation.

Moreover, the research emphasizes consumer-centric considerations, such as awareness, attitude, and trust, to help or hinder the adoption of circular practices. Researchers discuss how and if circular offerings are thought to be suitable and how marketing insights can be implemented to impact such acceptability. For instance, Masi et al. (2018) in their firm-level study highlight that while resource efficiency practices are relatively adopted, mechanisms like customer cooperation and green purchasing remain underutilized, partly due to limited consumer awareness and unclear incentives.

Third, digital and transparent technologies (e.g., blockchain, big data, ICT) form an emerging research frontier aimed at reinforcing trust, traceability, and customer engagement. Scholars argue that these tools can offer visibility across product lifecycles, thus reducing information asymmetries in circular systems.

A recent systematic study on the application of blockchain in the circular economy highlights that its decentralized and immutable nature enhances transparency and traceability, yet challenges related to scalability, interoperability, and regulation persist (Abid, Chowdhury, & Ferdous, 2024).

Overall, these three streams (value propositions/brand, consumer perceptions, and technology-enabled transparency) dominate the current literature. Yet, few studies attempt integrative perspectives spanning all three.

Consumer Perception, Awareness, and Trust in Circular Adoption

Consumer perceptions are very important in the acceptance of circular business models. Researchers conceptualize **trust** as a necessary precondition for consumers to accept used, refurbished, or shared models, where uncertainty is high. **Awareness** is treated as a prior knowledge or consciousness of environmental issues and circular principles that conditions openness to circular alternatives. **Attitudes** show predispositions toward sustainable or circular consumption. Empirical works operationalize these constructs in survey scales or experiments to test how they influence intent or actual adoption.

For example, Masi et al. (2018) measured awareness and firm practices across 77 firms to understand barriers and drivers in circular adoption; they found that awareness deficits and lack of customer cooperation hinder broader implementation. Others synthesize drivers and barriers in CE adoption more broadly—though not always with marketing emphasis—categorizing factors like informational, economic, legal, and social dimensions (). In these reviews, **information and trust** are considered as recurrent barriers: consumers hesitate when data visibility is low or claims are nontransparent.

However, existing works do not frequently incorporate cultural variation, especially for trust and perception differences between different national and cultural contexts. Only a limited number of longitudinal studies examine changes in trust over time in response to marketing interventions

Digital Technologies, Transparency and Consumer Participation

As the market evolves to facilitate circular systems, digital technologies are needed as circular signaling and circular execution tools. Digital technologies serve multiple functions: coordinating product lifecycles, enabling reverse logistics, ensuring traceability, and providing dashboards or certifications for end consumers.

Blockchain has also been proposed as a means to provide tamper-proof records and verify product origin. Abid et al. (2024) reflects on blockchain supporting visibility across circular supply chains, but it also advises on technical and institutional challenges hindering its application in practical cases. Apart from blockchain, machine learning and artificial intelligence are utilized to improve reverse logistics, waste segregation, and material regeneration (Noman et al., 2022).

In addition, only a few studies have examined how promotional communications leverage such technologies to influence consumption behaviour, monitor participation, or evaluate performance outcomes (e.g., conversion and loyalty) within circular contexts.

METHODOLOGY

This study is based on a qualitative research design and a systematic literature review. The purpose of the review is not only to summarize previous findings but also to critically synthesize and evaluate the existing body of knowledge in order to identify dominant themes, contradictions, methodological limitations, and future research opportunities related to marketing and the circular economy (CE). A qualitative systematic review approach was considered appropriate due to the fragmented and interdisciplinary nature of the literature.

The review process followed a structured protocol based also on the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) approach. The review was conducted in four stages: identification, screening, eligibility assessment, and inclusion.

In the identification stage, peer-reviewed journal articles, conference proceedings, and relevant academic reports were collected from major databases including Scopus, Web of Science, and Google Scholar. A

keyword-based search strategy was employed using combinations of terms such as “circular economy,” “marketing strategy,” “consumer behavior,” “branding,” “digital technologies,” and “sustainability.” The initial search generated 120 records.

After duplicate removal, 98 studies remained for the screening process. Titles and abstracts were reviewed according to predefined inclusion and exclusion criteria. Studies were included if they specifically addressed the intersection between marketing and the circular economy, including topics such as circular branding, consumer perceptions, sustainability communication, digital transparency, and technology-enabled circular marketing practices. Studies focusing exclusively on engineering, waste management, logistics, or production optimization without a marketing perspective were excluded.

Following the screening stage, 57 full-text articles were assessed for eligibility. Of these, 15 studies were excluded because they lacked a clear marketing focus or did not sufficiently address consumer, branding, or digital strategy dimensions. Finally, 42 studies were retained and included in the qualitative thematic synthesis.

The selected studies were subsequently analyzed through thematic analysis following the methodological approach proposed by Braun and Clarke (2006). The literature was systematically coded and categorized into three dominant thematic streams: (1) circular value propositions and branding strategies, (2) consumer awareness, attitudes, and trust in circular adoption, and (3) digital technologies and transparency in circular marketing. This qualitative meta-synthesis enabled the identification of recurring patterns, sectoral differences, contradictions, and underexplored research areas within the existing literature.

RESULTS

The qualitative synthesis of the selected literature revealed three overarching themes that define current scholarship at the intersection of marketing and the circular economy. These are: (1) circular value propositions and brand positioning, (2) consumer awareness and trust as behavioral drivers, and (3) the integration of digital and transparent technologies in marketing strategies.

Theme 1: Circular value propositions and branding.

Most studies emphasize how marketing contributes to redefining value creation through circular product design and brand differentiation. Firms are shifting from transactional to relational logics, positioning themselves as facilitators of resource longevity and environmental stewardship (Lüdeke-Freund et al., 2019). Evidence suggests that circular branding can enhance customer loyalty and perceived authenticity when the value proposition communicates regeneration and shared responsibility. However, few studies empirically test these effects or explore sector-specific variations.

Theme 2: Consumer awareness, attitudes, and trust.

Across the reviewed studies, consumers’ psychological and social factors emerge as crucial determinants of circular adoption. Awareness and environmental concern positively influence willingness to engage in reuse or sharing practices, yet trust in product quality and company transparency remains a decisive constraint (Masi et al., 2018; Pasqualotto et al., 2023). Research generally agrees that trust mediates the relationship between awareness and behavioral intention, but longitudinal evidence is scarce. Only a limited number of studies examine how trust evolves over time in response to marketing interventions or communication strategies.

Theme 3: Digital and transparent technologies.

Digital transformation constitutes the newest frontier of circular marketing. Blockchain, big data analytics, and information-and-communication technologies (ICT) are increasingly employed to improve product traceability and stakeholder visibility (Abid et al., 2024). Blockchain’s decentralized and immutable architecture enhances transparency and accountability but faces challenges related to scalability, interoperability, and regulation. Other technologies such as artificial intelligence and machine learning are being used to optimize reverse logistics and consumer engagement analytics (Noman et al., 2022). Despite this progress, empirical validation

of how these tools translate into measurable marketing outcomes—such as customer satisfaction or brand trust—remains limited.

Cross-cutting gaps.

Three persistent gaps were identified: (a) a lack of cross-cultural comparative studies on consumer trust and perception; (b) minimal investigation of industry-specific marketing adaptations; and (c) the absence of standardized performance metrics that capture both marketing effectiveness and circular value retention. Collectively, these findings point to the need for integrative models that connect circular value propositions, consumer behavior, and technological enablers within a unified marketing framework.

DISCUSSION

The findings of this review demonstrate that research at the intersection of marketing and the circular economy (CE) remains conceptually rich but empirically fragmented. While the literature increasingly recognizes marketing as a strategic enabler of circular transformation, important contradictions and methodological limitations remain unresolved. The three dominant themes identified in this review circular value propositions, consumer trust and awareness, and digital transparency illustrate how marketing contributes to sustainability transitions, yet empirical evidence across sectors and cultural contexts is still uneven.

First, the prominence of circular value propositions and branding confirms that marketing plays a central role in reframing how firms communicate sustainability and long-term value. Studies suggest that circular branding may strengthen legitimacy, differentiation, and customer attachment by associating firms with environmental responsibility and regeneration (Lüdeke-Freund et al., 2019; Geissdoerfer et al., 2017). However, the literature presents contradictory findings regarding the effectiveness of such branding strategies. While some studies report positive consumer responses toward brands emphasizing repairability, reuse, and shared consumption, others indicate that consumers remain skeptical and may perceive circular claims as “greenwashing,” particularly when communication lacks transparency or measurable proof.

Sectoral differences further complicate these findings. In the fashion industry, circular branding strategies emphasizing recycled materials and resale models often improve brand image and attract environmentally conscious consumers. By contrast, in electronics and technology sectors, consumers may associate refurbished or remanufactured products with lower quality and reduced reliability, limiting the effectiveness of circular positioning strategies. Similarly, hospitality and tourism industries face challenges in translating circular initiatives into tangible customer value because sustainability practices are frequently perceived as operational rather than experiential.

The review also reveals significant methodological limitations across existing studies. Much of the literature relies heavily on cross-sectional surveys and conceptual discussions, while longitudinal and experimental research remains limited. Consequently, it is still unclear whether positive attitudes toward circular marketing persist over time or translate into repeated purchasing behavior and long-term customer loyalty.

Second, consumer awareness and trust emerge as decisive behavioral mechanisms influencing circular adoption. Trust consistently mediates the relationship between environmental awareness and willingness to adopt circular products or services (Masi et al., 2018; Pasqualotto et al., 2023). However, trust remains fragile when information transparency, product quality, or institutional credibility are uncertain. These findings suggest that firms must move beyond symbolic sustainability communication and provide verifiable evidence regarding sourcing, recyclability, and lifecycle impacts.

Several firms have already started translating circular marketing strategies into measurable outcomes. Patagonia, for example, strengthened customer loyalty through its “Worn Wear” initiative, which encourages consumers to repair and reuse clothing rather than purchase new products. This initiative enhanced brand authenticity and reinforced long-term consumer trust by aligning corporate actions with sustainability values. Similarly, IKEA introduced furniture buy-back and resale programs in selected markets, aiming to increase customer engagement while extending product lifecycles. Such initiatives demonstrate how circular strategies

can influence measurable marketing outcomes including loyalty, repurchase intention, and positive brand perception.

Third, the growing adoption of digital technologies such as blockchain, artificial intelligence, and big data analytics represents a significant innovation frontier in circular marketing. Blockchain technologies enhance traceability and product verification by providing transparent records regarding sourcing, manufacturing, and recycling processes (Abid et al., 2024). This transparency can strengthen consumer confidence, particularly in industries where authenticity and ethical sourcing are critical.

Nevertheless, the literature also highlights important barriers to implementation. Many blockchain applications remain pilot projects due to scalability limitations, high implementation costs, and interoperability challenges between digital systems. Furthermore, only a limited number of empirical studies examine whether technological transparency directly improves measurable marketing indicators such as customer trust, engagement, or brand equity.

Overall, these findings indicate that circular marketing research is gradually transitioning from a descriptive phase toward a more strategic and performance-oriented perspective. However, the field still lacks integrative theoretical frameworks capable of connecting consumer behavior, digital transparency, and circular value creation within a unified model.

Conceptual Framework for Circular Marketing Integration

Based on the reviewed literature, this study proposes a conceptual framework integrating the three dominant dimensions identified throughout the analysis: circular value propositions, consumer-related factors, and digital transparency technologies.

The framework suggests that circular value propositions including repairability, reuse, remanufacturing, and sustainable positioning shape how firms communicate environmental value to consumers. These strategies directly influence consumer awareness, attitudes, and perceptions regarding sustainability.

Consumer trust acts as a mediating variable between marketing communication and adoption of circular practices. Trust is reinforced when firms provide transparent and verifiable information regarding product origins, lifecycle impacts, and sustainability claims.

Digital technologies such as blockchain, artificial intelligence, and big data analytics function as enabling mechanisms that improve traceability, transparency, and consumer participation. By reducing information asymmetry and increasing visibility across supply chains, these technologies strengthen trust and support long-term customer engagement.

Ultimately, the interaction between circular value propositions, consumer trust, and digital transparency contributes to measurable marketing outcomes including customer loyalty, brand equity, repurchase intention, and sustainable competitive advantage. Figure 1 presents the proposed conceptual framework.

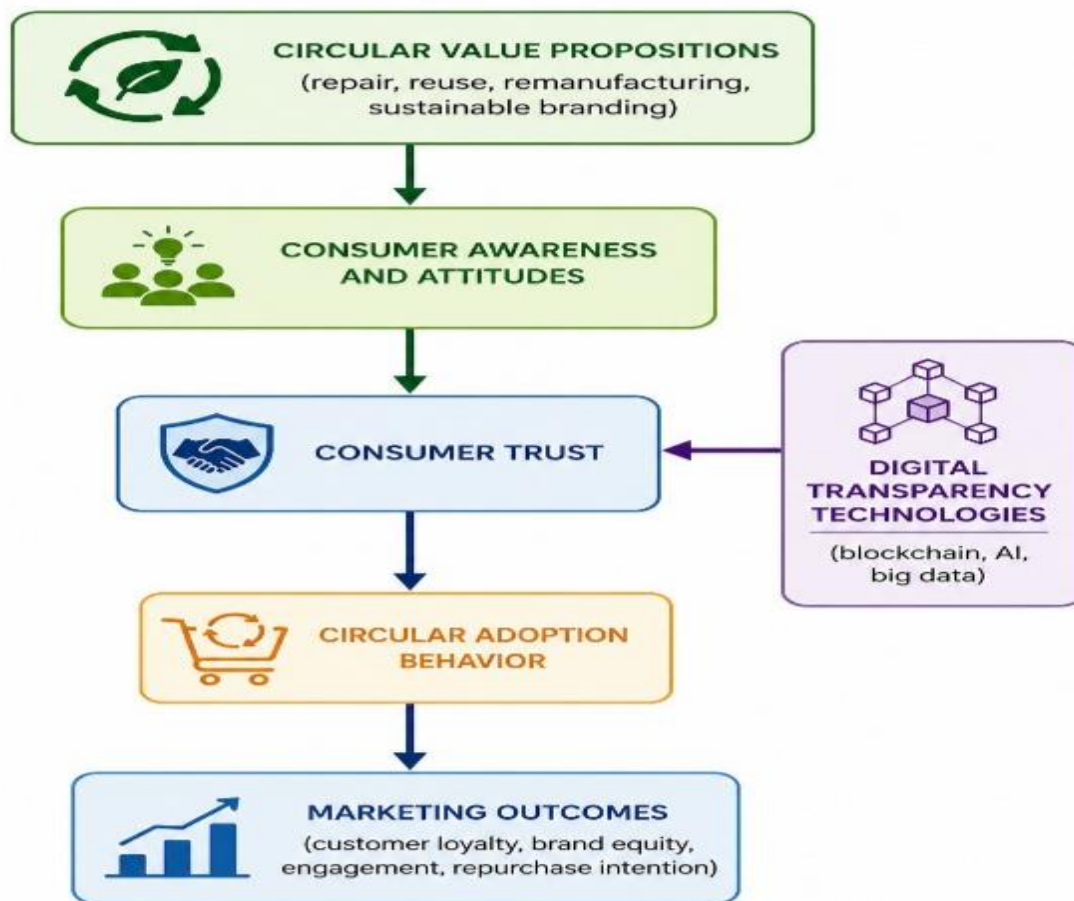


Figure 1. Conceptual framework

CONCLUSION AND IMPLICATIONS

This study set out to synthesize and critically examine the growing body of research at the intersection of marketing and the circular economy (CE). Through a qualitative systematic literature review, it identified three dominant yet fragmented research streams: (1) the formulation of circular value propositions and brand positioning, (2) the role of consumer awareness, attitudes, and trust in the adoption of circular practices, and (3) the integration of digital and transparent technologies as enablers of circular marketing. Together, these themes illustrate that marketing is not merely a communication function but a strategic mechanism that can foster behavioral and systemic change toward sustainability.

The review revealed that, while marketing scholarship increasingly recognizes the relevance of CE principles, empirical validation remains limited. Most studies focus on conceptual alignment and descriptive analyses rather than on measuring tangible marketing outcomes such as customer engagement, loyalty, or brand equity. Consequently, there is an urgent need for research designs that test how circular initiatives influence consumer perceptions and business performance over time. Moreover, studies should consider the cultural and institutional contexts that shape trust and information transparency across markets, given that consumer interpretations of circularity are highly context-dependent (Pasqualotto et al., 2023).

From a managerial perspective, the findings suggest several actionable implications. Companies should articulate clear and credible circular value propositions that align brand identity with sustainability goals. Transparent communication and traceable information—enabled through technologies like blockchain—can build trust and reduce skepticism. At the same time, firms should invest in consumer education to strengthen awareness and understanding of circular models. Cross-functional collaboration between marketing, supply

chain, and product development teams will be crucial to translating circular strategies into consumer-perceived value.

For researchers, this review underscores the need for integrative theoretical frameworks that link marketing capabilities, technological innovation, and consumer behavior. Future studies should adopt mixed-method and longitudinal approaches to capture dynamic changes in trust, engagement, and performance outcomes. Expanding the geographic and sectoral diversity of research would further enhance the robustness and generalizability of CE marketing theory.

Ultimately, marketing holds the potential to act as a transformative force in advancing the circular economy. By combining persuasive communication with technological transparency and ethical value creation, marketers can help organizations move beyond linear consumption patterns and toward truly regenerative systems—where environmental stewardship and competitive advantage are mutually reinforcing rather than contradictory.

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